

A close-up photograph of several cocoa pods hanging from a tree branch. The pods are in various stages of ripeness, with some showing green and yellow hues. The background is filled with lush green leaves and brown branches.

DISCO General Assembly 2024 – Final Report

*Thursday 24 October
Centraal Museum, Utrecht*



With special thanks to the chocolate sponsor of today:



Opening and welcome notes

Judith Sargentini, DISCO independent Chair, opened the meeting by welcoming participants. She then highlighted key developments in the cocoa sector and in DISCO happened during 2024:

- Major developments in the cocoa sector
 - Market prices: high increases of farmgate prices announced for Côte d'Ivoire (20% to USD 3,09 p/kg) and Ghana (45% to USD 3,07 p/kg).
 - EU regulations with the agreement on CSDDD and the delay of EUDR
- Key achievements in DISCO
 - Development of the DISCO procurement paper and agreement on the three principles
 - Launch of ISCO statement during the World Cocoa Conference in April where the ISCOs recognise their role to foster sustainable procurement practices
 - Ongoing work to increase ISCO collaboration at the European level, focusing on procurement and accountability



Reflecting on progress and plans towards DISCO goals

The Secretariat outlined the key results from the Annual Report 2023 and the published action plans with the following conclusions:



Living Income

The sector needs to accelerate actions and scale them up to larger parts of the supply chain to achieve impact in closing living income gaps.



Deforestation

The DISCO partnership seems on track to meet its ending deforestation targets in the upcoming years.



Child Labour

The DISCO partnership is on track to meet the goals to take effective measures to end child labour in their supply chains

Signatories' reflections on DISCO progress

Participants discussed the results in smaller groups and then as a whole group. Key themes emerged:

- Concern for the low progress on living income gap closure and doubts on the needs of companies to move from measurements to strategies and concrete actions;
- Awareness of direct link and influence of EU regulations on Deforestation and Child labour, while living income remains a voluntary topic to address;
- DISCO/ISCO should create understanding on credible and common approaches that companies should take to make impact;
- Call for a DISCO joint strategy, next to the individual plans;
- A proposal for more transparency on individual performances in the partnership;
- A request to more companies to take the initiative and raise the bar influencing the rest of the sector;
- Necessity to include a higher level of decision-makers in big companies to move the sector forward;
- Appeal to companies to incorporate the principles agreed in the DISCO position paper in their procurement practices strategies



Learning from smaller DISCO coalitions bringing more value to the farmers



Nestlé and KIT

How direct cash transfers can be a cost-effective approach to increase farmers' incomes

Milan Slikker (Nestlé) explained the *Income Accelerator Program (IAP)* with a focus on how the program brings more value to the farmers through cash transfers and the key role of collaborating with different partners. Building on this, Anna Laven from KIT highlighted the learnings from the IAP and cash transfers in general, outlining strengths and weaknesses of this financial mechanism.

Jeroen Hirdes presented the recently disclosed Albert Heijn's ambitious scaling up plan of Tony's open chain model (TOC) for 100% of their chocolate products. Joke Aerts from Tony's clarified how the TOC 5 sourcing principles enable a living income to all the farmers they work with.



Albert Heijn and Tony's Open Chain

Increased scaling ambitions of Albert Heijn of the Tony's Open Chain model



ETG and KIT

Pilot to test the effectiveness between cash transfers and service delivery interventions

Lieke Guinée shared the developments of Beyond Beans' EnRoute project designed in collaboration with KIT. This pilot aims to measure the impact on living income gap and child labour comparing different packages of cash transfers and service delivery. More insights on the findings can be found in the presentation of the General Assembly.



Interactive session: How can we achieve more as a partnership than the sum of our individual efforts?

Multistakeholder group discussion followed by a plenary session

Challenge 1

The success of individual strategies largely depends on factors in origins (e.g. price setting mechanism, small farm sizes, local economic situation and fragmentation of available farming land, etc.) which we often can't influence ourselves while engagement with origin country governments is limited due to mutual lack of trust.

To address this key challenge the participants suggested to:

- Mediate on price setting mechanism through a step wise approach established by the whole partnership:
 1. Have successful individual strategies defining roles and sphere of influence
 2. Identify and analyse the core challenges in price setting mechanisms that couldn't be overcome by individual actors
 3. Identify what is a strategy/approach that is credible and have a set of recommendations from ISCOs for implementation
- Create leverage through a partnership approach to have a direct and indirect influence in the countries of origin. CSOs take up the role to strengthen local farming cooperatives, and increase professionalism, while companies focus on having more transparency in their supply and the ISCOs take part in EU and international dialogues to address the political local bottlenecks.



Interactive session: How can we achieve more as a partnership than the sum of our individual efforts?

Multistakeholder group discussion followed by a plenary session

Challenge 2

There is still a large group of customers that isn't interested in investing in living income strategies (smaller companies in ISCO markets as well as a wider group of actors in non-ISCO markets). To scale strategies to larger parts of the supply chain, an increased market demand for living income investments is required.

- The participants proposed specific roles for each DISCO subsector to address the challenge.
- Retailers and brands should focus on demand creation to generate more interest and support for living income initiatives.
- In addition, there is a need for legislation to create a level playing field.
- Overall, the actors need to keep inspire each other by sharing best practices and lessons learned.

Challenge 3

Despite the growing attention of procurement practices in the sector, adopting the procurement practices principles remains limited. At the same time, some companies that do want to work more on procurement experience challenges that conflicts with market dynamics in Europe (pricing negotiations throughout supply chain, encouragement of competition in market system, etc.

- To accelerate the adoption of more sustainable procurement practices in the sector, participants suggested several strategies.
- One key proposal is to involve ISCOs in the European Cocoa Association (ECA). This would empower ISCOs to influence the procurement agenda, establish standards, and secure commitments from ISCO members.
- The ultimate goal is to create a level playing field for the sector, while ensuring compliance with antitrust laws and operating at a European level.



Conclusion and next Steps

Judith concluded the Assembly thanking everyone for the rich discussion and contributions during the day.

She acknowledged the urgency of more engagements at European level and reminded on the ongoing process of alignment of the ISCOs. At the same time, she highlighted the relevance of DISCO as:

1. The frontrunner on procurement agenda translated into the DISCO Position Paper and agreement on three principles;
2. The only ISCO without funding of pilots projects, showing a strong commitment of signatories in valuing the partnership;
3. The only initiative with an independent Chair.

Finally, she challenged each signatory to define their individual roles in DISCO and jointly collaborate to accelerate progress and move the bar higher in in 2025.



Participants

Participant	Organization
Jeroen Hirdes	Albert Heijn B.V.
Herma Mulder	Barry Callebaut
Siegfried Moeyersoons	Barry Callebaut
Stan Bakermans	C.Steinweg-Handelsveem B.V.
Angelika Kessler	CARE Nederland
Richard Kooge	CARE Nederland
Rupert Day	Cargill
Jack Steijn	Equipoise
Lieke Guinée	ETG
Eunice Godevi	Fairtrade Netherlands
Susanne Boetekees	Fairtrade Netherlands
dhanya nair	Frieslandcampina
Julia Ditz	GISCO
Lisa Graepel	IDH
Mark de Waard	IDH
Tessa Meulensteen	IDH
Judith Sargentini	Independent Chair of DISCO
Ane de Vos	International Justice Mission Nederland
Kristy Bryars	International Justice Mission Nederland
Pieter Schulting	JS Cocoa
Daniek Ehrismann	Jumbo

Participant	Organization
Cedric Steijn	KIT Institute
Anne Laven	KIT Institute
Roel Govers	Mars Nederland
Mirte Ruesen	MinBZ
Isabelle van Tol	MinBZ
Julius Seinen	MinLVVN
Annick Verdegem	Mondelez International
Milan Slikker	Nestlé
Adam Nowakowski	Nestlé
Daniek Spanjers	Nestlé
Susanne Folkerts	ofi
Anouk Franck	Oxfam Novib
Jaïr de Paauw	Port of Amsterdam
Maurice van Dort	Rainforest Alliance
Babasola Olajide	Solidaridad
Heleen Blesgraaf	Solidaridad
Amina Ndifi	Stichting Agriterra
Cindy Verhoeven	Superunie
Joke Aerts	Tony's Chocolonely
Maartje de Graaf	Tropenbos International
Pauline Neefjes	UNICEF NL



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SUSTAINABLE COCOA